

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

)	Case No. 07-0201 SC
)	
JEFF POKORNY, LARRY BLENN, and)	ORDER RE: REQUESTS FOR REVIEW
KENNETH BUSIERE, on behalf of)	<u>BY NEW BSM CLAIMANTS</u>
themselves and those similarly)	
situated,)	
)	
Plaintiffs,)	
)	
v.)	
)	
QUIXTAR, INC., et al.,)	
)	
Defendants.)	
)	

In June of 2013 the Court ordered the claims administrator to send notice to the 91 BSM ("Business Support Materials") Claimants whose BSM claims had previously been rejected in whole or in part. ECF No. 285. As ordered by the Court, the BSM Claimants were notified that if they disagreed with the claims administrators' whole or partial rejection of their BSM claims, the BSM Claimants could request review of the rejection by the Court.

Now before the Court are two such requests, one filed by Deisy Lopez Medina and the other by Raj Bodepudi on his own behalf and on behalf of Gautham and Srikanth Bodepudi. ECF No. 349 ("Notice"). Argument on these requests for review is unnecessary under Civil Local Rule 7-1(b), and based on the record the Court finds the claims administrator's decision to reject these claims was

1 appropriate. Accordingly, the requests for review are DENIED and
2 the claims administrator is AFFIRMED.

3 Under the terms of the settlement agreement, class members
4 were entitled to seek reimbursement for BSMs, including
5 "motivational and/or training aids in the form of books, magazines,
6 other printed materials, audio tapes, video tapes, software, CDs,
7 other electronic media, rallies, meetings, functions, and
8 seminars." ECF No. 162-2 ("Settlement Agreement") at ¶¶ 1.4, 1.37,
9 6.1.1. The settlement agreement, as well as notices and the
10 rejection letters sent to the 91 BSM Claimants whose claims were
11 rejected in whole or in part, stated that "[p]urchases of Quixtar
12 products, computers, office supplies and equipment, etc." were not
13 eligible for reimbursement. ECF No. 349-1 ("Stinehart Decl.") Ex.
14 A, Tab 3, at 2.

15 The claims administrator properly denied Lopez's request for
16 reimbursement because she seeks reimbursement for purchases of
17 Quixtar products, not BSMs. For instance, Lopez's claim form and
18 declarations list numerous Nutrilite, Artistry, and other Quixtar
19 products, but do not list any motivational materials or training
20 aids like books or CDs that qualify as BSMs under the settlement
21 agreement. ECF No. 162-2 ("Settlement Agreement") at ¶¶ 1.4, 1.37,
22 6.1.1. Similarly, while her letter points out that she spent
23 significant money and time on her business, that standing alone
24 does not entitle her to reimbursement. Instead, the only legal
25 basis for granting her request for reimbursement would be if she
26 sought reimbursement for expenses that qualify under the terms of
27 the settlement agreement. Because she has not done so, the claims
28 administrator rightly rejected her claims.

1 The claims administrator also rightly denied reimbursement to
2 Bodepudi. While Bodepudi's claim form and initial declarations
3 list, in a very general way, purchases that may qualify as business
4 support materials, including more than \$1500 for books, \$1000 for
5 CDs, and \$5000 for "team development," after the claims
6 administrator requested additional verification, Bodepudi submitted
7 supplemental declarations listing only Quixtar products he
8 purchased, not BSM expenses. Compare Stinehart Decl. Ex. B, Tab 1,
9 at 2, with Stinehart Decl. Ex. B, Tab 2, at 1, 4, 7. Once again,
10 Quixtar products purchased by Bodepudi or others are not BSM
11 expenses, and are therefore not reimbursable under the settlement
12 agreement. As a result, Bodepudi, like Lopez, is not entitled to
13 reimbursement for the purchases he has claimed, and the claims
14 administrator rightly denied his request for reimbursement on that
15 basis.

16 For these reasons, the requests for review are DENIED, and the
17 claims administrators' decisions are AFFIRMED.

18
19 IT IS SO ORDERED.

20
21 Dated: February 12, 2015



22 UNITED STATES DISTRICT JUDGE
23
24
25
26
27
28